



Opportunities. For everyone.

# Opportunity Texas<sup>TM</sup>

LEARN. EARN. SAVE.



## Texas faces numerous challenges

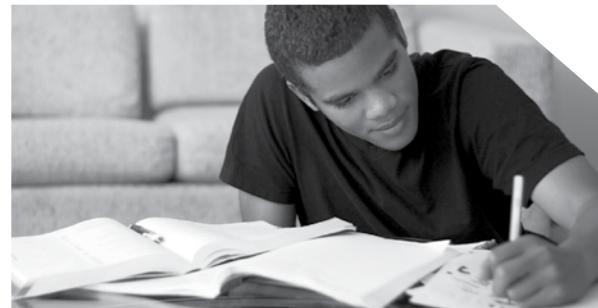
but also has abundant opportunities to build the middle class and increase prosperity.

Unfortunately, too many Texans are on the sideline, lacking access to opportunities to learn, earn, and save to secure a more prosperous future for themselves and their families. To create jobs, increase income, and promote savings, Texas must develop and expand programs and policies to ensure greater prosperity for all Texans.

## WE ACKNOWLEDGE THE CHALLENGES

### **There's a mismatch between the skills of today's Texas workforce and the skills demanded by tomorrow's jobs.**

- Future jobs in Texas will require increased amounts of training and education for the current workforce.
- Texas ranks last in the United States in the share of the adult population with a high school degree.<sup>1</sup>
- Only one-third of Texans, ages 25-54, have an associate's degree or higher, ranking Texas 40th for the percentage of adults with postsecondary training.<sup>2</sup>
- Texas' working age population grew by 5.5 percent during the Great Recession and continues to grow, making good job creation even more critical.<sup>3</sup>
- Texas has an increasingly larger share of low-wage jobs with one of every three jobs paying below the four-person household poverty line.<sup>4</sup>



### **Texans struggle to make ends meet with incomes below the national average and limited opportunities to move ahead.**

- Many Texas working families are unable to increase their income and move ahead due to a low level of education and limited access to skills development.
- Texas' middle class is small and shrinking as fewer Texans are earning middle-class incomes.<sup>5</sup>
- Too many Texas families struggle to make ends meet due to low participation in work and income supports, such as the Supplemental Nutrition Assistance Program (SNAP) (formerly known as Food Stamps) and Medicaid. As a result, Texas loses out on billions of federal dollars each year in unclaimed work supports.
- Millions of Texans fall prey to predatory financial products due to inadequate consumer protection, limited financial education, and lax regulation of subprime lending.

### **Texans' ability to move ahead is threatened by limited access to savings products and programs.**

- Parents who save increase their children's opportunity to move ahead. While half of low-income children whose parents had low savings remain low-income as adults, less than a third of low-income children whose parents had high savings remain low-income.<sup>6</sup>
- Children with a college savings account in their name are seven times more likely to attend college than children without an account. But Texas children living in households making less than \$50,000 are much less likely to have a college savings account; while half of Texas children live in households making less than \$50,000, these children make up only 6 percent of enrollees in Texas' pre-paid college savings plan.<sup>7</sup>
- Public policies that encourage savings have been largely overlooked as a solution to many chronic challenges, including college completion and family economic security.
- Texas students need better financial education to save and invest in their future.

<sup>1</sup> American Community Survey, 2007. Washington, DC: U.S. Department of Commerce, Census Bureau. Calculations by Beacon Economics.

<sup>2</sup> Working Poor Families Project Analysis, Chapter 3, "50 State Data," June 1, 2010, Occupational Employment Statistics, 2009.

<sup>3</sup> Economic Policy Institute Analysis, Bureau of Labor Statistics, Employment, Hours, and Earnings from the Current Employment Statistics Survey (State and Metro Area), Job Watch, October 2010.

<sup>4</sup> Working Poor Families Project Analysis, Chapter 3, "50 State Data," June 1, 2010, Occupational Employment Statistics, 2009.

# WE OFFER SOLUTIONS

## To Create Jobs

- Promote pathways for working adults to obtain postsecondary degrees or certificates.
- Support businesses and working Texans by promoting and enhancing work-based skills training programs, and shared work or short-term compensation programs that reduce unemployment.
- Enhance adult basic education programs, including English language learning and adult literacy programs, to provide better pathways to postsecondary education and family-supporting careers.
- Improve college completion rates in Texas by promoting reforms to the Texas Developmental Education system.
- Promote small business expansion and microenterprises in Texas.
- Expand the role of Economic Development Corporations and programs to support local and community-based, asset-building initiatives.

## To Increase Income

- Increase participation in public benefits programs by providing sufficient resources for the enrollment system, offering web-based application and eligibility screening, and engaging more community groups in outreach and application assistance.
- Develop a strategic and coordinated tax refund outreach initiative to increase income and provide opportunities for families to save and increase their financial stability at Community Tax Centers.
- Close the loopholes which allow payday and auto-title lenders to operate without a state license or regulation and charge over 500 percent interest.
- Conduct a “Know it. Protect it. Build it” campaign to improve Texans’ consumer credit scores and make Texans more financially capable.

## To Promote Savings

- Increase awareness about financing and saving for college through better marketing of college savings accounts and increased earlier financial screening for student eligibility for financial aid.
- Eliminate asset limit rules from public benefit programs, such as SNAP, that penalize families for saving or using bank accounts.
- Encourage Texans to save at tax time by investing their refunds into savings vehicles, such as U.S. Savings Bonds.
- Integrate financial education into the K-12 grades and support a robust savings campaign that engages youth, working families, financial institutions, media, the public sector, employers, and other key stakeholders.
- Expand Individual Development Accounts (IDA)—matched savings accounts—for at-risk populations such as foster youth and noncustodial parents.
- Support efforts by credit unions to attract new savers through “prize-linked savings” and “savings promotion raffles.”
- Pursue public and private sources to fund Texas Save & Match, a public program that encourages families to save for college and acquire tuition units for aspiring students.
- Encourage all employers and public-benefit programs to use direct deposit as the default payment option and low-fee, savings-capable debit cards.



## WE WORK TOGETHER

*OpportunityTexas™* works in partnership with the business community, public schools, higher education, non-profits, the public sector, financial institutions, and employers to expand asset-building products and services for low- and moderate-income Texans. We are:

- Creating a culture of savings through Texas Saves ([www.txsaves.org](http://www.txsaves.org)), a statewide campaign to link new Texas savers with savings information and products.
- Partnering with employers to expand asset-building programs in the workplace.
- Supporting the development of a “Smarter Texas” program that integrates personal financial education into the public school curriculum and highlights the importance of saving for college.
- Making grants to Texas non-profits through the *OpportunityTexas™* Innovation & Investment Fund to expand financial education, increase household income, and encourage new Texas savers.

<sup>5</sup> CPPP Analysis, Texas Workforce Commission, Employment and Wages by Earnings Bracket, 2007-09.

<sup>6</sup> Cooper, Daniel, and Maria Luengo-Prado, “Chapter 1: Savings and Economic Mobility,” *A Penny Saved is Mobility Earned: Advancing Mobility through Savings*, Economic Mobility Project, November 2009.

<sup>7</sup> Beverly, Sondra and William Elliott III, “The Role of Savings and Wealth in Reducing ‘Wilt’ between Expectations and College Attendance,” The Center for Social Development, Washington University, St. Louis. 2010.



# WE ARE ABOUT ACTION & INNOVATION

*OpportunityTexas™* is a joint statewide initiative of the Center for Public Policy Priorities and RAISE Texas. We have three goals: creating jobs, increasing income, and promoting savings. We want to increase college access and success by giving more students and families a chance to save and build assets.

*OpportunityTexas™* is catalyzing large-scale action and innovation to achieve broader opportunity in Texas. We work to leverage new investments and develop new partnerships between the business community, higher education, non-profits, the public sector, philanthropy, employers, and Texas students in kindergarten through college.

We are forging new partnerships with our public schools so young Texans have relevant and integrated financial education. We are working to increase access to safe financial products and promoting savings at work, home, school, and at tax time. We also work to increase public and private employers' use of direct deposit and automated savings programs.

*OpportunityTexas™* works to give Texans new ways to prepare financially and academically for college. Our goal is to create pathways for today's college students to obtain good jobs and increase earnings. Finally, we strengthen access to public benefits, work supports, and technical skills training for working Texans to increase their financial stability and assets. Together, these opportunities will build and maintain a strong middle class and grow our economy.

## About the center

The Center for Public Policy Priorities is a nonpartisan, nonprofit policy institute committed to improving public policies to better the economic and social conditions of low- and moderate-income Texans. We pursue our mission through independent research, policy analysis and development, public education, advocacy, coalition building, and technical assistance. We pursue this mission to achieve a **BETTER TEXAS™**.

## About RAISE Texas

RAISE Texas is a statewide network of non-profit organizations, for-profit corporations, and public institutions working to support and expand asset-building activities in Texas, with a particular focus on low- and moderate-income areas. Our mission is to advance policies and programs that foster financial success and economic stability for all Texans.



**OpportunityTexas™**

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## WHO WE ARE



### **Don Baylor • Senior Policy Analyst • Center for Public Policy Priorities**

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Baylor joined the center in 2004 and focuses on workforce and economic development. He earned a bachelor's degree in Psychology from Georgetown University in 1994 and a master's degree in African American and Southern History with honors from the University of Wisconsin at Madison in 1997.

### **Lauren Gates • Project Director • RAISE Texas • [lgates@raisetexas.org](mailto:lgates@raisetexas.org)**

Gates is project director providing support and technical assistance to the growing asset-building field throughout Texas. She continues to expand the RAISE Texas Web site and also manages monthly communications. Before joining RAISE Texas, Gates was program manager of the Smart Savings Individual Development Account (IDA) Program for Covenant Community Capital Corporation. She holds bachelor's degrees in Business Administration and Spanish from The Ohio State University.

### **Leslie Helmcamp • Policy Analyst • Center for Public Policy Priorities**

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Helmcamp joined the center in 2009. She focuses on employment and skills development training, including postsecondary education success at Texas community colleges. She earned a master's degree in Public Affairs from the LBJ School of Public Affairs at the University of Texas at Austin in 2009. Before pursuing graduate work, Helmcamp served as the director of the Immigration Legal Services program of Catholic Charities of Central Texas where she provided direct services to immigrant families.

### **Laura Rosen • Project Coordinator • Center for Public Policy Priorities**

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Rosen joined the center in July 2010 as project coordinator for *OpportunityTexas™*. She completed her master's degree in Public Policy from the University of Michigan in 2010 after earning two bachelor's degrees from the University of Texas at Austin in 2004 in Finance and Government. Before returning to graduate school, Rosen was a Fulbright Scholar in Peru where she researched microfinance.

### **Woody Widrow • Executive Director • RAISE Texas • [wwidrow@raisetexas.org](mailto:wwidrow@raisetexas.org)**

Widrow has over 38 years experience in housing, community development, and asset-building. Before moving to Texas in 1999, he served as the vice president of the National Community Reinvestment Coalition, the deputy director of the National Association for Affordable Housing Lenders, and the executive director of the National Housing Institute and editor of SHELTERFORCE. Widrow received a master's degree in Community and Regional Planning from Rutgers University.

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